

CALENDAR ITEM

C88

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06/23/11

S 7

PRC 5735.1

D. Oetzel

REVISION OF RENT

LESSEE:

NuStar Energy, L.P.
2368 Maritime Drive, Suite 275
Elk Grove, California 95758

AREA, LAND TYPE, AND LOCATION:

10.10 acres, more or less, of sovereign lands in San Pablo Bay, in the city of
Crockett, Contra Costa County.

AUTHORIZED USE:

Continued use and maintenance of the Selby marine terminal for the transport of
petroleum products and derivatives.

LEASE TERM:

25 years, beginning January 1, 1981.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease
term. Pursuant to this provision, staff has conducted a review of the rent under
this lease, and recommends that the rent be revised from \$29,333 per year to
\$168,285 per year, effective January 1, 2012.

OTHER PERTINENT INFORMATION:

This lease expired December 31, 2005 and the lease is now in holdover. While
in holdover, the terms of the prior lease remain in effect, which allows
Commission staff to adjust the rent on every fifth anniversary or on a subsequent
anniversary if the five-year anniversary is missed. Negotiations are currently
ongoing with NuStar for a new lease for this facility. However, in case a new
lease is not authorized by the Commission prior to the January 1, 2012
anniversary date, staff is recommending that the annual rent be revised so that a
new rent will take effect on the anniversary date regardless of lease negotiations.

CALENDAR ITEM NO. **C88** (CONT'D)

EXHIBIT:

- A. Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is not subject to the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15060(c)(3) because the activity is not a project as defined by Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

AUTHORIZATION:

Approve the Revision of Rent for Lease No. PRC 5735.1 from \$29,333 per year to \$168,285 per year, effective January 1, 2012.